

1/31/12

PREPARED BY: Scott Danigole  
DATE PREPARED: January 31, 2012  
PHONE: 471-0055

LB 1087

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	12,346		9,247	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1087 is the Compressed Natural Gas Innovation Act.

Section 2 provides definitions.

Section 3 creates the Compressed Natural Gas Innovation Fund (a cash fund).

Section 4 requires the State Energy Office to establish and administer a grant program for compressed natural gas innovation projects. Eligible entities may apply for grants of up to two hundred thousand dollars (\$200,000). The entity shall pay at least eighty percent (80%) of the cost of the project.

Section 5 creates the Natural Gas Fuel Board to advise the State Energy Office regarding the promotion of natural gas as a motor vehicle fuel in Nebraska.

Section 6 requires that beginning December 1, 2012 and annually thereafter, the State Energy Office shall submit a report to the Legislature describing each compressed natural gas innovation grant made during the previous year.

Section 7 allows the State Energy Office to adopt and promulgate rules and regulations to carry out the act.

The State Energy Office estimates the bill's provisions will cost \$12,346 in the first year and \$9,247 in the second year. These are one-time staffing costs that would address the rule and regulation provisions as well as developing the grant process. These estimates appear to be reasonable.

The State Energy Office does not estimate any amounts for grant distribution because the bill is silent on funding sources.

Although the Compressed Natural Gas Innovation Fund is created, there is no revenue source flowing into it. In absence of a source of funds, the General Fund would need to be utilized for grant money. The bill is also silent regarding the use of General Funds for grants. If this is the intended fund source, the bill should explicitly specify that source and an amount of funding that is intended.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE	1/31/12	PHONE	471-2526
COMMENTS					
NEBRASKA ENERGY OFFICE: I have no basis to disagree with the NEO's estimate.					

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LEGISLATIVE FISCAL

2012

Please complete ALL (5) blanks in the first three lines.

LB(1 ) 1087 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Energy Office

Prepared by: (3) Danielle Jensen Date Prepared: (4) 1/25/12 Phone: (5) 402-471-3360

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with columns: EXPENDITURES, REVENUE for FY 2012-2013 and FY 2013-2014. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, and TOTAL FUNDS.

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate: The NEO estimates approximately 60 hours in FY 2012-13 to develop and promulgate Rules and Regulations for this Act, and 60 hours for the development of the grant program under this Act. These costs are one-time costs. The administration of this grant program will require approximately 6 hours per week, not including technical review. The State Energy Program Administrator and Division Chief-Weatherization/State Energy Program will fulfill these duties. Any technical review needed for grant applications would be provided by the Energy Technical Advisor for the Energy Office, and was calculated separately. The bill did not direct the Nebraska Energy Office to provide administrative support to or 'reimbursable expenses for members of' the Natural Gas Fuel Board created in Section 5 of the Act, therefore estimates were not included in this fiscal note. The amount of General Fund to be transferred to the new Compressed Natural Gas Fund is not identified in the bill so no revenue or expenditure amounts are indented for the actual grants to be made to potential applicants.

Table for FY 2012/13 Position with columns: Hrs, Rate, Total, Benefits, Total \$. Rows: State Energy Program Admin., Weatherization/SEP Chief, Energy Technical Advisor.

Table for FY 2013/14 Position with columns: Hrs, Rate, Total, Benefits, Total \$. Rows: State Energy Program Admin., Weatherization/SEP Chief, Energy Technical Advisor.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

Table with columns: POSITION TITLE, NUMBER OF POSITIONS (12-13, 13-14), 2012-2013 EXPENDITURES, 2013-2014 EXPENDITURES. Rows include \*\*See Above Separate Listing of Positions, Benefits, Operating, and Travel.

Capital  
outlay.....  
Aid.....  
Capital  
improvements.....  
TOTAL.....

_____	_____
_____	_____
_____	_____
_____	_____
<u>\$12,346</u>	<u>\$9,247</u>